

GDP: Calculating Real GDP and GDP Growth

1. Use data from the following table to answer the following question

	Quantities Produced		Prices	
	Cheese	Wine	Price for Cheese	Price for Wine
2001	100	200	\$10	\$20
2002	120	240	\$12	\$20

Calculate real GDP for 2001 using prices from 2001. \$ _____

2. Use data from the following table to answer the following question

	Quantities Produced		Prices	
	Cheese	Wine	Price for Cheese	Price for Wine
2001	100	200	\$10	\$20
2002	120	240	\$12	\$20

Calculate real GDP for 2002 using prices from 2001. \$ _____

3. Use data from the following table to answer the following question

	Quantities Produced		Prices	
	Cheese	Wine	Price for Cheese	Price for Wine
2001	100	200	\$10	\$20
2002	120	240	\$12	\$20

Using 2001 prices as the base, by what percent did real GDP grow? _____%

4. Use data from the following table to answer the following question

	Quantities Produced		Prices	
	Cheese	Wine	Price for Cheese	Price for Wine
2001	100	200	\$10	\$20
2002	120	240	\$12	\$20

Calculate real GDP for 2001 using prices from 2002. \$ _____

5. Use data from the following table to answer the following question

	Quantities Produced		Prices	
	Cheese	Wine	Price for Cheese	Price for Wine
2001	100	200	\$10	\$20
2002	120	240	\$12	\$20

Calculate real GDP for 2002 using prices from 2002. \$ _____

6. Use data from the following table to answer the following question

	Quantities Produced		Prices	
	Cheese	Wine	Price for Cheese	Price for Wine
2001	100	200	\$10	\$20
2002	120	240	\$12	\$20

Using 2002 prices as the base, by what percent did real GDP grow? _____%

Answers:

1. \$5,000 $(100 * \$10) + (200 * \$20)$
2. \$6,000 $(120 * \$10) + (240 * \$20)$
3. 20% $(6,000 - 5,000)/5,000$
4. \$5,200 $(100 * \$12) + (200 * \$20)$
5. \$6,240 $(120 * \$12) + (240 * \$20)$
6. 20% $(6,240 - 5,200)/5,200$